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BC Stats

# Infoline

*Contact:* bcstats.infoline@gov.bc.ca *Issue: 11-06* *February 11th, 2011*

- **Exports climb 7.3% in December**
- **Value of building permits slips 5.7% in December; up 27.8% for 2010**
- **Revenue for BC's performing arts industry down in 2009**

## The Economy

- **BC product exports ended the year on a high note (+7.3% *seasonally adjusted*) in December, recovering from a 2.2% slide in the previous month.** The value of all major commodity groups shipped from the province was up, most notably for the energy sector (+12.4%). Despite a substantial drop-off of energy shipments to the US (-16.0%), exports of energy goods to other countries (+28.2%) more than made up the difference.

  Overall exports to the US inched ahead 0.7%, as shipments of industrial & consumer (+5.0%) and machinery & equipment (+7.2%) products were among those to increase. Together, these accounted for about 40% of total US-bound exports. Meanwhile, December marked a notably strong month for overseas markets (+12.4%).

  Canadian exports climbed 9.7% to $37.8 billion. Shipments to the US advanced 10.0%, with a slightly more modest boost in exports to Japan (+7.8%). A decline in shipments to the European Union (-4.5%) failed to offset the increases. *Data Source: Statistics Canada & BC Stats*

- **The value of building permits issued by municipalities in British Columbia slipped 5.7% (*seasonally adjusted*) in December.** An increase was recorded in residential permits (+2.4%), while drop-offs in the industrial (-38.6%), commercial (-20.8%), and institutional (-1.6%) sectors pushed total non-residential intentions down 17.1%.

  There was considerable variability among the province's urban centres. While Abbotsford (+199.3%) and Kelowna (+42.3%) reported sizeable gains in December, the value of planned building projects in both Vancouver (-3.6%) and Victoria (-36.0%) was down.

  Nationally, the value of permits issued was higher (+2.4%) as gains in residential permits (+21.2%) compensated for a decline in planned non-residential projects (-22.0%).
  *Data Source: Statistics Canada*

- **Housing starts in the province slipped 6.0% (*seasonally adjusted*) in January, following a double-digit surge in November.** Starts were up in most Eastern provinces, while the Central and Western regions did not fare as well. Canadian starts inched up 0.8%, with increases ranging from 1.9% in Quebec to 64.3% in Nova Scotia and Manitoba (-40.0%) posting the most notable decline. *Data Source: CMHC*

- **Relative to the same month of 2009, the cost of new housing in BC's largest city continued to creep up in December.** Home builders in Vancouver received 0.6% more for their projects, while Victoria's housing price index was slightly lower (-1.0%). Falling land value (-1.8%) in the capital city teamed up with a slight decline in new housing prices (-0.4%). On the other hand, an increase in the cost of houses in Vancouver (+2.0%) overpowered a continued decline in the price of land (-1.3%).

  Nationally, the new housing price index rose 6.2% during the twelve-month period ending in December. *Data Source: Statistics Canada*

## 2010 in Review

- **The value of building permits issued in BC totalled over $9.7 billion by the close of 2010, an increase of 27.8% over the previous year.** The increase was entirely due to a rise

Report **Non-US Entries to BC**

Did you know...

Nearly half (47%) of British Columbian couples will make time for romance on Monday, while four in ten (39%) say they don't usually do anything for Valentine's Day. *Source: Ipsos Canada*

in residential permits (+50.1%) as the value of planned non-residential construction was off (-4.2%) with declines in the industrial (-6.5%) and institutional (-12.7%) sectors completely overshadowing a slight climb in the commercial sector (+1.7%).

Nationally, all but one province (New Brunswick, -0.5%) posted increases last year. Gains made in Newfoundland & Labrador (+64.7%), PEI (+39.5%) and Ontario (+29.6%) were among the most significant.

*Data Source: Statistics Canada*

- **Most regions of the province recorded a higher total value (*unadjusted, year-to-date January to December*) of building permits issued in 2010.** Building intentions grew the most in Nechako (+95.0%) where planned construction in industrial, commercial and institutional projects soared. Mainland/Southwest (+42.0%), Cariboo (+34.8%) Kootenay (+11.6%) and Vancouver Island/Coast (+10.9%) all posted significant double-digit increases, while growth in Northeast (+5.9%) and North Coast (+1.6%) was more moderate. Thompson/Okanagan (-3.4%) was the only region to post a downturn in the value of permits during 2010.

*Data Source: Statistics Canada & BC Stats*

## Newspaper Publishers

- **Operating profits for Canadian newspaper publishers were down in 2009.** Despite a reduction in operating expenses, falling revenues pushed the industry's overall operating profit margin down to 9.9%, nearly two and a half percentage points below that of 2008 (12.3%). Publishers in western Canada fared somewhat better than the rest of the country, with an overall profit margin of 14.7% in the same year.

Salaries, wages and benefits continues to be the largest cost item for newspaper publishers, comprising 40% of the industry's operating expenses in 2009. Labour costs fell 5.1% in 2009, mainly due to layoffs prompted by receding industry revenues.

*Data Source: Statistics Canada*

## Trucking

- **Canadian trucking carriers hauled over 540 million tonnes of freight to various destinations in 2009, substantially less (-7.8%) than in the previous year.** Most freight was transported domestically (85%), while the rest was hauled to the US or Mexico. While transborder trucking represented only 15% of overall shipments, it generated nearly a third of total revenue. In terms of weight, the top commodities hauled within the country were general freight, gravel & crushed stone, and iron & steel products. *Data Source: Statistics Canada*

## Performing Arts

- **The live performing arts industry (including dance, music, theatre and opera companies) in BC received $144.7 million in operating revenues in 2009, down slightly from $145.8 million in 2008.** Non-profit establishments generated more than half ($75.1 million) of this total. Meanwhile, operating expenses grew substantially, such that the industry's profit margin plummeted by more than ten percentage points, to 7.1%. Together, Quebec and Ontario generated nearly three-quarters of total industry revenues in 2009, while BC's performing arts companies accounted for about 11%.

The nation's live performing arts industry received over $1.3 billion in revenue in 2009. Theatre companies (28%) and music groups (29%) accounted for more than half of total revenues, with the remaining share split among other groups such as dance, opera, skating shows and circuses.

*Data Source: SC, Cat. # 87-F0003-XIE*

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Contact: Chad Stroomer
(250) 387-0377
Originally published in *Tourism Sector Monitor*, Jan 2011

# Special Focus: Non-US Entries to BC

## Introduction

To date, visitor entries to BC have been dominated by one country. In 1972, the first year for which data are available, US travellers accounted for 94% of total international traffic through BC. By 2009, that share had slipped to 77% of total entries.

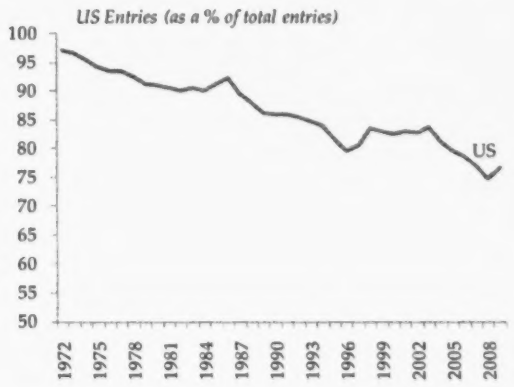
### About the data

Visitor entries are not a perfect indicator for international travel to BC. An entrant is counted in the province where he or she cleared Canadian customs.

For example, a traveller from the UK and destined for BC who clears customs in Montreal before embarking on a plane bound for Vancouver would be counted as having entered via Quebec despite the fact that the travellers final destination was Vancouver.

Looking at things from the other side, overseas travellers to BC have, as a share of total entries, risen from just 6% to 23% over that same period. Two main factors have been driving this result. First, since 2000, the volume of visitor entries from the US has fallen considerably. Second, non-US entries have increased substantially over the past 37 years. Entries from the US will almost certainly remain BC's largest source of total international entries, but it is clear that other countries are becoming increasingly important sources of tourists.

*Since 1972, the US's share of total visitor entries has been trending downward*



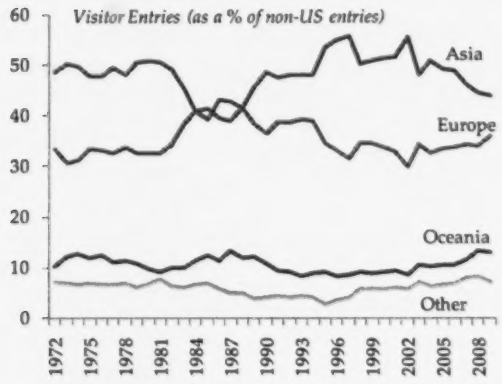

*Data Source: Statistics Canada*

## A Shift to the East

Between 1972 and 1982, overseas visitors were primarily from Europe, accounting for almost half (49%) of all international travellers coming to BC each year. However, since 1982, Europe's share of total visitor entries has taken a backseat to Asia as entries from the Far East have climbed. During the mid-1980s, Asia and Europe each accounted for just over 40% of total international travel to BC.

During the 1990s and early 2000s, not only was BC receiving more travellers from Asia than from any other continent, but Asian visitor entries accounted for more than half (54%) of all non-US arrivals. Since then, however, there has been a slight rise in Europe's share of overseas entries as well as small increases in visitors from Oceania and other regions of the world. In 2009, visitor entries from Asian countries accounted for 44%, while European arrivals made up approximately 36% of total international travellers to BC.

*During the late 1980s, entries from Asia began to outnumber those of Europeans*




*Data Source: Statistics Canada*

## Europe

Europe's slice of total non-US entries has narrowed, from a peak of 51% in 1980 to as little as 30% in 2002. As Europe's share of total entries to BC has ebbed and flowed, so too have the relative contributions of many European countries.

*More travellers to BC come from the UK than any country in Europe*

*Data Source: Statistics Canada*

During the mid-1970s, the majority of European entries were from the United Kingdom. In 1975, the UK's share of European entries peaked, accounting for approximately 57% of total European entries. Germany, BC's second largest source for European travellers at that time contributed a distant 15% to the total, with the Netherlands accounting for another 9%. The rest of Europe (mainly Denmark, France and Sweden) made up the remaining 19%.

While the UK continues to account for the largest share of European visitors from any single country, its share has been slowly eroded by an increasing number of travellers coming from the rest of Europe. Growth in the number of visitors from Germany exploded during in the late-1970s, jumping from a mere 17,000 visits in 1976 to roughly 134,000 by 1996 with much of that expansion occurring in the years following the fall of the Berlin Wall and German reunification in 1989 and 1990.

*From the late 1970s to the mid 1990s, the number of German travellers to BC rose rapidly*

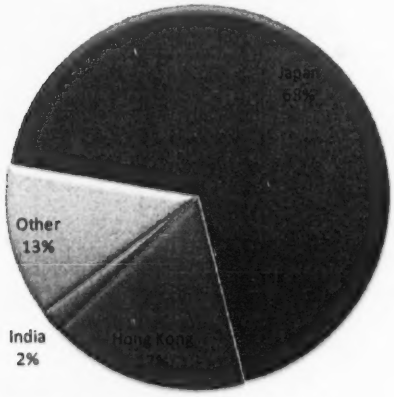
*Data Source: Statistics Canada*

Commensurate with this rapid expansion in the number of Germans coming to BC, Germany's share of total European entries also rose, peaking at 32% in 1995. However, since 1995 Germany's share of total European entries has fallen considerably and by 2009, German travellers accounted for just 18% of all European visitors.

## Asia

Historically, most travellers from Asia were from Japan, with Hong Kong placing a distant second. During the mid-1970s, roughly two-thirds (68%) of visitors from Asia were from Japan. Hong Kong accounted for another 17%, while India (2%) contributed a comparatively tiny share of Asian travellers and while the rest of the continent rounded out the remaining 13%.

*In 1975, travellers from Asia were primarily arriving from either Japan or Hong Kong*

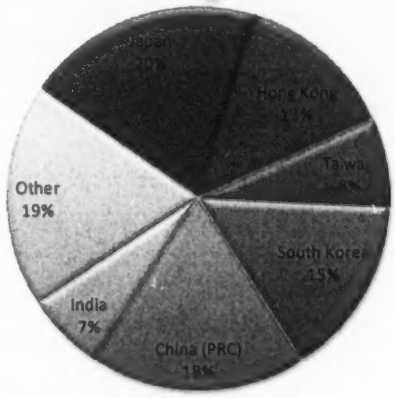



*Data Source: Statistics Canada*

In the years after 1975, Japan's share of total Asian entries via BC has declined sharply. Part of this is due to challenging economic conditions (commonly referred to as "the Lost Years"), which is reflected in the sharp drop (–66.1%) in the number of Japanese travellers to BC since 1996.

Another reason for the decline in Japan's relatively dominant position among Asian countries is the rapid emergence of many other Asian economies on the world stage. One of the results of this has been an increase in international travel that BC has been able to benefit from. Chief among these "newcomers" is China, which has registered a ten-fold increase in the number of entries to BC since 1990 (the first year for which data on Chinese entrants are available). China's share of total Asian visitor entries has also grown considerably over the last two decades from 3% in 1990 to 18% by 2009 making China the second largest source of travellers from Asia after Japan (20%).

*By 2009, Japan's share of travel to BC from Asia had dropped off while China's, South Korea's and Taiwan's have all expanded sharply*




*Data Source: Statistics Canada*

Other Asian countries, such as South Korea (15%), Taiwan (8%) and India (7%) have all seen their relative share of total Asian entries to BC grow substantially since the early 1990s.

## Other Continents/Regions

After Europe and Asia, Oceania is the most important source of visitors, most of who are from Australia. The relative share of entries from Oceania has increased slightly from approximately 10% in 1972 to 13% in 2009.

Visitors from other countries in North America (excluding the US), South America and Africa have accounted for a constant, yet relatively minor, share of international visitors. Between 1972 and 2009, travellers from these areas have made up approximately 7% of total non-US travel to BC.

## Conclusions

Visitor entries from the US continue to account for a larger share of total international travel to BC than any other country. However, between 1972 and 2009, non-US entries expanded from just 6% of all entries to 23% by 2009.

The composition of these non-US entries has shifted greatly over the last 37 years. Asia has largely replaced Europe as the largest contributing region. Within Asia itself, Japan's share of total Asian entries has diminished in favour of China, Taiwan and South Korea, as the easing of economic and political barriers (such as Canada acquiring Approved Destination Status from China) make travel to BC easier for people from these countries. In light of the recent global economic downturn, it remains to be seen what the lasting effects will be on international travel to BC.

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also on the Internet at www.bcstats.gov.bc.ca or choose RSS

# BC at a glance . . .

| POPULATION (thousands) | Oct 1/2010 | % change on one year ago |
|---|---|---|
| BC | 4,551.9 | 1.5 |
| Canada | 34,238.0 | 1.2 |
| **GDP and INCOME (Released Nov 4)** | | |
| *(BC - at market prices)* | 2009 | % change on one year ago |
| Gross Domestic Product (GDP) *($ millions)* | 191,006 | -3.4 |
| GDP *($ 2002 millions)* | 161,851 | -1.8 |
| GDP *($ 2002 per Capita) (reflects revised pop)* | 36,287 | -3.5 |
| Personal Disposable Income *($ 2002 per Capita)* | 25,374 | -1.9 |
| **TRADE ($ millions, seasonally adjusted)** | | % change on prev. month |
| Manufacturing Shipments - Nov 2010 | 3,012 | 1.5 |
| Merchandise Exports - Dec 2010 | 2,611 | 7.3 |
| Retail Sales - Nov 2010 | 4,950 | 1.3 |
| **CONSUMER PRICE INDEX** | % change on one year ago | 12-month avg % change |
| *(all items - Dec 2010)* | | |
| BC | 2.4 | 1.4 |
| Vancouver | 2.5 | 1.7 |
| Victoria | 2.0 | 1.0 |
| Canada | 2.4 | 1.8 |
| **LABOUR FORCE (thousands)** | | % change on prev. month |
| *(seasonally adjusted)* | Jan 2011 | |
| Jobs Created (-Lost) - BC | -9.1 | |
| Labour Force - BC | 2,452.0 | 0.3 |
| Employed - BC | 2,251.6 | -0.4 |
| Unemployed - BC | 200.4 | 8.4 |
| | | Dec 2010 |
| Unemployment Rate - BC *(percent)* | 8.2 | 7.6 |
| Unemployment Rate - Canada *(percent)* | 7.8 | 7.6 |
| **INTEREST RATES (percent)** | Feb 9/2011 | Feb 10/2010 |
| Prime Business Rate | 3.00 | 2.25 |
| Conventional Mortgages - 1 year | 3.50 | 3.60 |
| - 5 year | 5.44 | 5.39 |
| **US-CANADA EXCHANGE RATE** | Feb 9/2011 | Feb 10/2010 |
| *(avg. noon spot rate)* Cdn $ per US $ | 0.9947 | 1.0671 |
| *(closing rate)* US $ per Cdn $ | 1.0061 | 0.9407 |
| **AVERAGE WEEKLY WAGE RATE** | | % change on one year ago |
| *(industrial aggregate - dollars)* | Jan 2011 | |
| BC | 828.54 | 2.2 |
| Canada | 835.31 | 2.6 |

**SOURCES:**

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

## Sub-Provincial Population Estimates

2010 estimates of population for municipalities, regional districts and development regions are now available. Estimates for 2006 to 2009 have also been revised.

www.bcstats.gov.bc.ca/data/pop/pop/mun/CurrentPopulationEstimates.pdf

## Science Related Occupations

How many people work in science-related occupations? Which industries employ them? What's the labour market outlook for workers in these occupations? A recently-released report on science-related occupations explores these issues. On WorkBC site; authored by BC Stats.

http://workbc.ca/docs/BC_Science_Related_Occupations.pdf

## Trade Occupations Outlook to 2019

The BC Trade Occupations Outlook report provides an outlook for trade occupations for the province as a whole, as well as for its seven development regions for the period 2009-2019. The analysis is based on a representative list of 15 trade occupations covering 82 separate trades and over 85 percent of active B.C. apprentices as of June 30, 2010. Selected occupations are concentrated in two NOC skill types: Trades, Transport and Equipment Operators and Related Occupations (NOC7), and Sales and Service Occupations (NOC6). The occupational forecast included in this report comes from the B.C. Labour Market Outlook: 2009-2019 report, which was produced from B.C.'s new Labour Market Scenario Model.

http://workbc.ca/docs/BC_tradesoccupationoutlook_2009-2019.pdf

## Released this week by BC Stats

- Tourism Sector Monitor, January 2011
- Earnings & Employment Trends, January 2011

## Next week

- Tourism Sector Monitor, January 2011
- Earnings & Employment Trends, January 2011
- Exports, December 2010
- Quarterly Regional Statistics, 4th Quarter 2010
- Consumer Price Index, January 2011

BC Stats, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1

Tel: 250-387-0327 Fax: 250-387-0380 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca